Bjorn Nabozney Interview
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Brian Shovers: This is Brian Shovers. I'm here today Bjorn Nabozney, in Missoula, at Big Sky Brewing. The date is April 24, 2017. We'll start -- what sparked your interest in brewing beer?

Bjorn Nabozney: Okay, what sparked my interest was actually …. I was very fortunate to work with a couple of fellows, Brad Robinson and Neal Leathers, who actually really sparked my interest in the industry. I'd had craft beer prior to meeting them. This was in the early-nineties or late-eighties. I had … my actual very first craft beer was prior to that, was up at a small brewery. That was in Columbia Falls at that point, called Mulliken [?]. I was like, "Wow! This beer is awful!" It was a horrible beer. But, it was like, but there's something different than the big beers. I moved on to Missoula and to come to school and in that process, I met …. Well, I went to Bayern Brewing and introduced myself to Bayern Amber, an unfiltered amber. It was fascinating beer. I love beer! I loved beer, even at that age, as a young man. Then, when I started working at a ski shop, with Brad and Neal, they just helped really foster that. They were talking about wanting to start a brewery. I was approaching my senior year of college. I have a finance degree. I was headed towards banking, but I knew I didn't want to be a banker. Their project seemed way more fun. The big hold up was we didn't have any money. It took us a number of years to actually get our project on the road, but I think that was where the spark was really from Brad and Neal. We really just … at that point we were really pushin' the envelope of homebrewing.

BS: Were you actually homebrewing yourself, then?

BN: Yes, I was homebrewing with Brad and Neal. I'd done a little bit prior to them, but it was extract brewing. They were all grain brewing. They started actually brewing in the … homebrewing in the mid-eighties. They'd been doing it for quite a while at that point. They were very proficient. When I got to brew with them a couple times, like, this is fun. This is … it was really something I just find fascinating. Still, I love it. To me, here we are, almost twenty … well, it'd be twenty-two years later and it's still to me, just as fun as when we first got going.

BS: What you can you tell me about Montana's first microbreweries?

BN: Well you know, when you're going back into those days, you know, we're lookin' in the eighties, there was Kessler out of Helena.

BS: Right.

BN: With Steve. What was Steve's last name? He was a character. He was one of my early introductions and then …. I'm really horrible with names, unfortunately. Then there was Gary, who had Mulliken [?] Brewing, which became Whitefish Brewing. In the eighties, those were two of my first introductions to craft brewing. Then, of course, Bayern, which, you know, they started in '87. The early folks were around. We had Rockin' M in Belgrade. Then, there was actually Bridger Brewing that was in Belgrade as well. In the early-nineties there was two breweries in Belgrade. Then, of course, Spanish Peaks in Bozeman with Mark Taverniti. I still see Mark on occasion.

BS: In those early days, how did they distribute their beer?

BN: Everybody that I knew at that point … we all went through … we were all distributed through beer wholesalers. There was, you know, it was really different because tap rooms didn't exist. That was … you give away free samples at the tasting room, but that was the extent of it. We had to rely on distribution, which I think, you know, we were so far ahead of the game that, you know, we weren't a packaging .... We didn't package beer. We didn't bottle it. We were draft only in the early days. So was Bayern. Bayern was draft only for quite a long time. But the other folks were bottling a nice little piece of crap bottling machines and stuff. It didn't help with the consistency of their beers. You were lookin' at six-packs, that you could visibly see a huge level in different in all six packs. The quality from bottle to bottle was very dramatically … it didn't help our cause, you know. We weren't our own best advocates back then, I would argue.

BS: How did you initially get involved with Big Sky?

BN: My initial involvement was actually writing the business plan. I had to write a business plan to graduate. Along with Brad and Neal and my wife, we put together the initial plan. We ended up rewriting that thing probably fifty times as were progressing our understanding of how the industry worked. One of the things that was really important back then, more so than now, was distribution. That middle tier was super crucial to the survival of any small brewery that point in convincing folks to give it a try. To give it a whirl. I spent a lot of time outside the business plan, you know, the actual, you know …. Neal was our original head brewer while we were homebrewing stuff.

I focused my energies on the other end initially. Getting distribution. We had distribution networks set up six months before we had beer. From when we first started, our first week of when we released our first beer in Missoula, we had sixty-five bars that we started with. It was pretty crazy. But it was so new. It was, like, people'd seen the success of Bayern. You know, I think really the success of Bayern is really made our job quite a bit easier. But they're making great beers, too. We knew what we wanna do and I spent … all of us spent … I spent quite a bit a time over in Seattle with the folks from Redhook, Paul Shipman. George Hancock from Pyramid. There's another George from Maritime Brewing. Rob and Kurt Widmer. I mean, it was very small community then. I think at the point, the year we started, in the United States, there were 625 breweries. There was five of us, I believe, in Montana. Bayern … might have been eight of us when got moving.

BS: What did it cost to set up the brewery originally?

BN: $300,000. Our brew house, we bought our stuff new, which was pretty uptown for then. There's a lot, you know, a good of chunk of the brewers would start with dairy equipment and we knew that we didn't wanna start with dairy gear. We wanna start with brewing specific gear. We found a Canadian supplier. We initially used … they're Ripley Stainless, just on the north side of the border there to build our brew house and our first fermenters. We started with two, sixty-barrel fermenters and thirty-barrel brew house, which was huge for those days! One of our dear friends, John Campbell up at Lang Brewing, he had just gotten going about when we … he was just ahead of us. I think he started about six months, eight months before us. Maybe a little bit more. He came and visited our brewery. He was like "That's a big brew house! Those are huge fermenters! How're you ever keep those things full?" [laughter] And we did, miraculously …'cause our tact on the Montana brewing scene and brewing was a little bit different than other brewers. I think we came in a little bit more market savvy. I think we understood our end consumer a little bit better than the other Montana breweries. We really looked at the market and took advantage with the market … where the market was.

BS: When you said you had sixty-five bars, were they all in the Missoula area?

BN: They were all inside the city limits of Missoula.

BS: Really!

BN: Missoula embraced us in a big way.

BS: How did you come up with the brand, your brand name?

BN: Well, the brand name. So, with … well with the corporate name, Big Sky Brewing had nothing, you know …. The big thing with us, when we were putting our plan together, we were looking at where we wanted to sell beer. We were looking at the northern tier of the United States, going east to west. What we, you know, that was our initial plan looking at … we wanted to make dark beers. We wanted to be a dark beer brewery.

While we couldn't afford an artist, my mom, when I was a kid, had done drawings on book covers for my brother and I -- *Mad Magazine* type stuff. It was pretty good art. It was pretty good art. I ended up calling my mother and saying, "Mom, you wanna do art for us?" She was like, "Sure, what do you want?" I was like, "I don't know. Critters." And that started us down this whole critter thing. She was actually … the first image ... the first beer that we'd done, was an image of a marmot. We called it Whistle Pig Red. It was not a market success at all. Huge failure. It was pretty … it was pretty short life span of that… of our first beer, but we also knew that wasn't the beer we wanted to hang our hat on. It was actually our beer Moose Drool.

The Moose Drool, where that … the impetus behind that was, my sister was … my mom was visiting my sister down in Billings and there was a bar down there called The Moose Breath Tavern. She'd driven by it and she was like, I've got an idea. Things were, of course, we didn't have cell phones or any of that stuff, so information moved a little bit slower then. She went back up to the Flathead [Valley] and she drew our original image. I'll show it to you. We still have it hanging on a wall. She sent it down with a sticky note that said, "I think you should call a beer Moose Breath." We were lookin' at it when I came down with a sticky note. It was Brad, myself, Neal, my brother. Even though Brad, Neal and I founded the brewery, my brother was in very early, right from the onset, so it was really the four of us, that got the whole thing going. We were lookin' at the image, we were like Moose Breath, like that's a horrible name. Then Neal was, I don't remember how it exactly, he had this look, look he's drooling! We should call it Moose Drool. He was joking. We were, like, yay, that's the name! A ton of market research went into that, but it worked. Miraculously, it was a market a success for us as well just because it was one the first really odd ball names. We were the early trendsetters for weird names in the craft beer.

BS: What … was distribution an issue early on?

BN: No. No. Because I'd been working on distribution so much prior to the opening 'cause we needed to figure out the industry and being newbies to the whole thing, I spent a ton of time with our wholesalers. First, getting them comfortable with our idea and our brand and going through that, you know, it was ongoing conversation of how's this gonna work. You know, I'm sure a lot of them were like whatever, this is never gonna work.

I developed a really strong relationship with our folks, with our distribution network and the bars at the same time. Spent a lot of time at the bar doing research. [laughter] But I got to know bartenders, bar managers and hanging out with folks that they were probably like this guy probably is so full of shit he'll never get this going. But, when it happened, they were all on board.

We started … our first distributor was Zip Beverage, here in Missoula. Our second was Fun Beverage, up in the Flathead [Valley]. There's been a lot of distribution changes over the years. But then we went with Thompson Distributing in Butte. Then, we ended up with Cardinal. That was all we could handle at that point 'cause of the size of our … we just … it just took off.

BS: Was there any pushback from the tavernkeepers?

BN: No. Well, in the rural markets it was pretty interesting because there weren't … they had never been exposed to what we were offering. I'd walk in, with … we did have any packaging, so I'd walk in with a growler. We'd keep in a keg in the back of the truck, when we'd go around and just pump out beer into growlers or cups and going in and visit the bars. It was so much fun! Boy, I got called more names. It was, you name it.

It was hilarious going into the bars in the more rural markets but quickly what happened is, we were breaking down the barriers. Myself, my brother, Brad, spending a lot of time in the market at these secondary bars and people would say, "Yeah. After a while, I will give you a try." Much to the chagrin of Rainier, 'cause we kick the shit out of Rainier in those days. We were taking Rainer handles like they were going out of style. You know, it was one of their slower movers. They're like, sure we'll give you a chance. Working in markets where people weren't looking … the craft industry wasn't interested in the places we were selling beer.

But one of the things, you know, I've come to learn and discovered over the years, what we have, is these secondary markets are very loyal, you know. These small bars are very loyal to the relationships that you've developed. There are a lot of bars that when I went in, you know, initially you get kinda chased out, but then perseverance. We're having great conservations. We'd never talk about beer. Go in, like hey! Let's talk about whatever, anything else but beer. At the end … by the end of the visit, quite often, even on the first, second, third visit, we were never talkin' about beer. We were talkin' about people and then I'd be like, "Oh and by the way, I make a beer." "Oh really!" Yeah, then just like, "Yeah, you wanna try it?" "Sure. That's god awful!" I got a lot of that. [laughter]

In 1995, I went to a brew fest in Dillon. We were the only craft brewer at the brew fest. It was all the big guys. So, I think it was more of just a beer drink than a brew fest. The end consumer on that, oh man! It was awesome! There's lots of folks that like … they were just tear-faced, like this will never work. This is God awful. You're like, but listen, you know, and like, it's an acquired taste. It not like beer. Well, here we are twenty-two years later, there's a brewery in Dillon. [laughter]

BS: What do you think has changed in terms of people's preferences for beer? I mean, how did that evolve? Do you have any idea?

BN: I think it's almost, you know, over the years, before people acquired more of a craft taste, you know, for the appreciation of craft beer, I think it was almost a romanticism of it. You know, like here we have these small companies trying to make it and it was, you know, I think it was also the pendulum has swung against the multi-national conglomerates. I think that's really helped us. It works against us to, you know. The local movement, in a lot of areas got hyper local where you can't be local enough, but I think part of that was early days. We didn't know it was the local movement, I would say, then. But there was a movement going on, where they wanted … people wanted beers, products from individuals, you know, rather than these conglomerates. That was really fun watching consumers be like, hey! This is good. I do like more flavor. As part of that though, people are drinking more flavorful beers, but they're drinkin' less. I think which is also not necessary

BS: Alcohol content is quite a bit greater.

BN: Well, it depends. You know, we've always kept our alcohols kinda around where the big guys are. You know, right around five percent for the bulk, if we look on a bell curve, you know. We want our consumer to be able to have two or three beers without, you know, being drunk. You know, that's … 'cause to me, drinkin' beer is about the social experience. Going out and, you know, alcohol, and particularly beer, tends to be a social lubricant. We wanna be part of the conservation, not the conservation ended because we got somebody intoxicated or overly intoxicated, you know. That's no fun. So, we've always taken the stance of hey, let's, you know, in moderation, you know. Let's hit around five percent. We have a couple of beers that are bigger than that now. The market trends have kinda led us down that path with the [India Pale Ales] IPAs. IPAs tend to have higher alcohol, but at that … what you end up with, is a bigger malt bill. The more you add ... the more hops you add, you end up with a bigger malt bill, which is the end result. You end up with a higher alcohol beer by default, because you need to balance out those flavors somewhat.

BS: What was the source for brewing equipment and supplies, such as malt, hops, cans, bottles?

BN: Okay, cans … at that point, of course, cans didn't exist for small brewers. Bottles and equipment were … the equipment was either really small and junky or very big, so it was … for … sizing equipment was very difficult. When you looked at, like, actual equipment manufacturer, you know, manufacture specifically for the brewing industry, there were a few manufacturers. There was Triple A over in Oregon. There was Ripley. Where we ended up buying. But most of these folks, what they would … where they got into the manufacturing industry was through for wineries. So, our initial brew house size wasn't sized correctly. Of course, you get some German equipment, but it was all huge. That's why so many of the folks ended up with dairy type gear because there just wasn't anything available. There were a couple of choices, Mueller out of Springfield, is the American choice. Actually, I said earlier that we got our tanks from Ripley. I'm wrong, that was later. Our first tanks were actually from Mueller out of Springfield. Our first two fermenters from Bright Tank, looking back.

BS: Springfield ….

BN: For us, Springfield, Missouri.

BS: Missouri.

BN: Yep. Then, our brew house came from Ripely, which is out of Canada. The bulk of our equipment now, well, our, you know, it's … as the industry has grown, there's been much more availability in our suppliers, you know. A lot of folks have gone from … which was dairy equipment to equipment that's produced in China. At this point, we have no interest in buying Chinese gear. Quite often there's questionable welds and metals [unintelligible] and we want a brew house that's gonna outlast us. Hence, we ended up with that particular brew house.

BS: What about the malt and hops?

BN: Okay the malt -- Great Western Malting was the … was our primary malt supplier early on. Through them, we ended up buying was … we bought …. At the craft level, there wasn't a lot of available. There was Briess, Great Western.

BS: Where Great Western?

BN: They're located out of Vancouver, Washington. Briess was out of Wisconsin. There was Gambrinus which was located in Canada. They were one of the first, small malting facilities. We had those … and there's Rahr. We didn't use Rahr at that point. But there's four or five available.

Where we ended up purchasing the bulk of our pale malt was actually out of Scotland at that time was maris otter two-row 'cause we were brewing traditional-style British ales. We thought well, we've already use the stuff from the source. That became a real pain in the ass. That didn't work out so well because we could only get it in bags. We could get a semi-truckload of bags at a time and we ended up unloading it by hand 'cause it would come in all filled up. It'd take four of us. We had, like, two hours to unload it.

But that … our specialties and our base malt came from them and then Great Western out of Vancouver. 'Cause there's [unintelligible] suppliers. That's still about the same. Now we have Malteurop out of Great Falls. That's who we use. We have a split in our pale malt between Malteurop and Great Western, so I don't know if the bulk of our barley might be comin' from Montana. You never really know because they blend it, which is the dirty little secret on that side. Even though there's malting occurring in Great Falls, it's unlikely that it's all Montana malt. There's stuff coming in from, gasp, from Canada to there and Idaho and Oregon and Wyoming to blend 'cause you malt at a certain grade. It's all about keepin' the proteins down. Anyway, there was four malt suppliers.

Hops. All of our … the bulk of our hops we purchased through Hopunion over in Yakama, [Washington]. But our primary hop provider at that point was East Kent Goldings, which is grown in England -- Kent, England. In east Kent. It was our one of our primaries. Then, the rest were … we didn't use any Cascade hops back then, in the early days. We've just started some Cascade hops twenty-one years later. That came from Yakama, [Washington].

BS: Do the hops provide bitterness?

BN: Bitterness, flavor and aroma.

BS: Do you see anybody in Montana getting into the hops?

BN: There's actually a hop grower up in the Flathead. Tom …. Oh, I can't remember Tom's last name. They're growing, and processing hops up in the Flathead [Valley] now. 'Cause you use very little hops. There was really never the driver behind that, but we also went through a couple of hops shortages over the last twenty years, too. Which brought a number of farmers in to the hop growing business. You know, over the … for example, like on a Moose Drool, per 900 gallons of beer, we use forty-five pounds of hops. So, it's not that … from a component of that.

Then, glass. Owens Illinois … there's two glass suppliers now. Back then, when we got into glass, it was Owens Illinois … that O-I was our glass supplier. Then, our cardboard came in from Yakama, Spokane and then that's transitioned a little bit. It's all from the northwest. The one thing that's interesting, when we look back at the day when we went into bottles, the hard thing to get … the interesting thing is the bulk of our supplies come from America. We're American produced, with the exception of crowns. The crowns are either made in Italy, Greece, Mexico or China. From available supplies, there's not really a crown manufacturer in the United States.

BS: So, crowns are the bottle caps?

BN: The bottle caps. So, we used … back in the … when we first got going, all of our crowns came from Italy. That was are only imported item from any of the packaging materials. Everything else came from within about a 500-mile radius of the brewery.

BS: So, I've heard or read, that Montana's the largest producer of malting barley in the country?

BN: Yes! Yep, over in the Golden Triangle, Conrad area. It's very interesting because when you look at the … part of that … as we … as craft as gotten its teeth into the beer industry, and as we've become a formidable player, consumptive behaviors changed dramatically. Just in general, people are drinkin' a lot less now. There's, you know, the report of Bud Miller and Bud Miller Coors not buying as much malting because they're down two percent, which is a huge number. We're looking at 2.5, 3 million barrels of production decreasing. In overall in the beer industry and that's really something. When you see what's happening over there, unfortunately. Because we're not gonna make that volume up. We're just too small as an industry.

BS: During the 1990s, what was the public's perception of microbreweries?

BN: I think in general, they don't like us. They didn't understand what we were. It was the flavor thing. It was the slow, slow road, like, I said earlier, just going in and introduction. People thought it was neat. I think [unintelligible]. I think rather than likin' the beer, it was more likin' the idea of likin' the beer [laughter]. But it was … and we kept it fun. It was a hoot. Those of us that were in the industry at that point, we had a blast! It was so dang much fun. Folks were poppin' up, you know, there was real … it was very family-like, you know, amongst all of us. We all knew each other really well.

The craft industry's still nice, but it wasn't like then. Then, I could call the big guys. I could still do that now because we've had so much time, but, you know, to have access to people that were really the, you know, the foundation of the whole craft brewing. People like Ken Grossman. People like Paul Shipman. You know, throughout the West. They were all easily a phone call away and go "Hey! I need some help."

But one thing I also found too back in the nineties, is the big guys were open to conversation. I could call St. Louis and talk to folks and say we're having a problem. I'd go this is cute, you know, type of thing. We were never seen as a threat. I think, back then, to the large part of the industry. But information was much more readily available, I would argue than it is now. People've gotten a little bit more protective. They're holdin' their cards a little bit closer to their chest now. They're seventy breweries in the state of Montana and ….

BS: I'd heard recently that there's twelve more under construction or something?

BN: Yeah, there's two breweries starting a day right now in the United States. They're sayin' 7000 breweries by the end of 2017.

BS: Jeeeze! Really?

BN: There was 625 of us, like I said, including brew pubs back when I started.

BS: We were just in Portland and Seattle. I think the number in Portland is, like, ninety. I think Seattle is seventy or something like ….

BN: That seems about right.

BS: What we found talkin' to people there, was that, you know, there's friendliness between brewers and they don't discourage you from goin' and tryin' one of their competitors. It just seems totally unamerican.

BN: Yeah. Yeah, it is still that, you know, it's still a very friendly industry. It's not as friendly as it used to be, but I tell you what, it … variety is the spice of life. There's beer styles that we don't produce, that I like. I wanna and I like … I always say I'm a little bit slutty when it comes beer. I love drinking beer, you

know! I like other people's beer. What I look for in a beer is quality. At the end of the day, it doesn't … I don't care where the beer came from. Is it good? That's really … and is it produced by good people? There are a ton of good people in our industry. We're very fortunate with that regard. Yeah, it's fascinating. I hope the industry maintains that mantra of friendliness and cooperation. Time will tell, you know. There's a lotta folks gettin' into the craft industry now, chasin' dollars. The gold rush is on. We're deep in the gold rush right now, which changes the feelings.

BS: Are there any breweries you can think of that started, say around when you did in the nineties that have gone under?

BN: Oh, there's a bunch! Yeah. Yeah. Of what we spoke of, focused specifically to Montana with Lang [Creek Brewing], which started right before us. Then, after us, came Sleeping Giant, there in Helena. Then, right around our timeframe, there was Miles Town Brewing over in Miles City. Those guys were awesome. They were so much fun. So, Jeff, over at Draught Works, his dad was one of the founders of Miles Town Brewing. So there's a little history there too on that. There were a number of breweries that went down. Rockin' M. Bridger. Of course, Spanish Peaks. They hit 60,000 barrels at one point. They were pretty substantial. Their beers weren't made in Montana at the small pub. The bulk of their beer was made out of state.

BS: What do you think is the cause of the demise of those breweries?

BN: I think, you know, after there's a big surge in the early-nineties towards craft and then there was a mass exodus. I think what had happened is similar to what we're seeing now. There's a lot of interest early on, comparatively. People got in, they over extended themselves, you know, it was … the demand wasn't where they anticipated. Ultimately, you know, the quality of the beer wasn't nearly as good then as it is now. I think a lot of startups they're much more geared and in tune with quality then back in the nineties.

BS: Where do you think brewmasters are trained? Ones that are emerging.

BN: The home. They're homebrewers. You know, I think it's … I don't think you need formal training to be a brewer. To me, it's more are you able to be clean, you know. It's more of good cook versus bad cook, you know. I think you can have a world renown chef and have a cook from home make just as high a quality stuff, but I think it's really in the underlying … are you dedicated to the process of being clean and consistent every time. If you dedicate that and put your passion towards those goals of quality every time, I think anybody can make a really good beer, given the right equipment and circumstances.

BS: Maybe you can tell me about the formation of the Montana Brewers Association?

BN: Okay, yeah. There was a couple different iterations of that. When we first formed it, there was only a handful of us, obviously. Man, was it '97 that we did that? All those dates are kinda getting' foggy.

BS: '99's when the bill was finally passed. Finally got the Legislature to allow microbreweries to serve on premises.

BN: Yep. Yep and when we first formed, it was really more about, you know, it was education deal. Then, you know, Blackfoot River [Brewing Company] formed shortly after us. Brian [Smith] over at Blackfoot River had, you know, he had the most governmental experience of any of us 'cause he worked in the government. The rest of us were kinda outliers on that. But it was kinda of an education of what we gonna do as Montana brewers. We talked about, you know, formin' a buy-in group and things like that. When … and the original members would've been KettleHouse, Bayern, ourselves, Blackfoot River,

Sleeping Giant. Kessler was still around at that point. That would have been Todd [Daniels] over at Kessler. Tryin' to think of the other fellers that were in on that. Great Northern [Brewing Company] was there. Boy. Yeah, there was probably … when it formed up, there was probably seventeen of us. Somewhere in there. I'd have to go back and look at notes or something.

Then, the opportunity presented itself. The impetus behind that on the original tap room bill was really pushed more by Tim O'Leary and Brian [Smith] and a couple of other breweries. We were rapidly approaching the 10,000 barrels. We weren't at 10,000 barrels in '99, but in 2000 we were. So, we knew we saw the horizon line and it didn't include us. But we didn't wanna be obstruct, you know, obstruct that initial progression. Our internal thought was yep, the bill will get that for the brewing industry and then we'll circle the wagons and we'll come back. We'll … and everybody'll be on board with that. Well, seventeen years later and here we are. We finally got it. Then, 60,000 barrels is on our horizon line. [laughter] We'll participate ….

BS: What's the status of that bill?

BN: The governor [Steve Bullock] just needs to sign it.

BS: What does it do?

BN: It raises the cap from 10,000 barrels to 60,000.

BS: Oh, it did?

BN: Yeah! We're gonna be able to sell pints for a couple of years before we hit the 60,000 barrels, which'll be nice. You know … nothing else, it's status quo of that three pints, up to forty-eight ounces per day, per person. Same hour limitations and that kind of stuff.

BS: I hadn't heard that had been 60,000.

BN: We were the only brewery in the state that never been able to participate in the … or had been excluded from the tap room exception. Pretty exciting. It's pretty exciting for us right now.

BS: How effective was the [Montana] Brewers Association in lobbying the Legislature?

BN: This time or earlier?

BS: Earlier.

BN: Not effective at all. It was very contentious. The approach was antagonistic. We actually dropped out because of, like, we're fighting our customers. We were at very different vantage point then. We were basically an apple in a basketful of oranges, is what it always felt like, you know. Our partners and our distribution and then our retailers, weren't very fond of the Montana Brewers Association. I think that was in part because of its infancy. We were the, you know, the teenagers rebelling against the parental side of the whole thing. With, you know, our customers were looking at, we are … our customers are our bars. We don't have the opportunities to sell pints. We were above that. It didn't make sense for us to be part of it for a number of years. We've since rejoined. But, yeah, I think you also see the maturation, too, in the folks that have been in this for a while. Everybody sorta gets it … the broader picture of what the industry is.

BS: The largest objection from the tavern keepers was the high price of their liquor licenses, I mean, this all dates back to Prohibition or the end of Prohibitions when these laws were established -- antiquated.

BN: What's interesting, is we're … the industry based on a set of laws that are in excess of eighty years old, that haven't kept in tune with changes in the marketplace. What we have in Montana now, is with the quota system on the licenses for the tavern owners, we've got this artificial value … bolstering this value of the licenses that doesn't make sense. Under bated breath, you know, it used to be like, "Man, the quota system is bullshit." I mean that was blasphemy. It still is in a larger sense, but it doesn't make sense, you know.

What we have, you know, that's the component of the economy that needs … it should be a free market economy. Let the business …. I would argue the probably be interest enough, less bars than there are now if the quota system didn't exist. Because I think the competition would be very different because you wouldn't be getting in this to have the golden ticket, which is the license. You know, and that license doesn't have value in a lot of towns. Unincorporated communities, it's a $500 license, you know. But for the same privilege in Missoula, Montana it can be between $750 and a million dollars to own a full-service liquor.

I think what really bastardized the whole deal was the gambling component and that's where the dollars are in a lot of sense. You've got the gambling component, which I don't gamble so I'm not really part of understanding that component of the industry. But that's where all … where it gets contentious. Protecting the value of licenses for gambling. They don't want to free it up so everybody and their brother can have machines. In it's heyday, an average machine in Montana would generate $400 per day, per machine. That's, you know, that's not the case any longer, but there was real value there. We gotta figure it out.

Our antiquated set of laws need to come up, you know, to where the times are. I would argue that's freeing the market on that side. There's also the argument if we're gonna pay for all the licenses at market value right now, that's a $150 million that the state of Montana doesn't have to pay out. I don't … it's gonna take a bigger brain then certainly mine to figure how … what is the best solution for that because right now, we're stuck between a rock and a hard place. The industry is rapidly changing. We need to figure out how it works in this state 'cause we're stuck in the thirties.

BS: So, in 1999 when that bill was brought forward by Hal Harper in the Legislature to allow the microbreweries to serve and sell their beer on premises, did you get involved in that effort at all?

BN: We were involved, you know, a little bit more at an arm's length given that we weren't ultimately gonna benefit from the legislation. I think the big thing was not to be obstructionist about it, you know, because that was a pretty firm number, you know. People were pretty set on that number. We were, like, wait a minute! But I think it would've been wrong for us to try to stop that because, we'd've been …. Rather than looking at the success, the industry would've been very self-service … selfish of us to say, "No, no what about us?" When it was clear that was not gonna happen in our favor, but, you know, sometimes you gotta put on your big boy pants and just take it. That's what we did, you know. We supported it and said, "Hey! This is good for Monanta."

BS: When do you think you reached the 10,000-barrel limit?

BN: We reached it in 2000.

BS: Would there be other … I suppose Bayern would've been in that category, too?

BN: They were much smaller than us by that point already. We were at one point we were the largest draft only brewery in the country.

BS: Really?

BN: We got surpassed by a Mac & Jack's out of Seattle.

BS: Really.

BN: But we'd seen that … we'd also seen the need for the shift to go into packaging. So that was on our event horizon as well. We knew that we were gonna pass it.

BS: You started packaging back then?

BN: We started packaging beer in late '98 and not here. We actually contract packaged with our friends over at Portland Brewing in Portland, Oregon because we couldn't get a bank loan.

BS: Why?

BN: We were … it was interesting … it seemed like we were old veterans at that point. Even though we'd only been doing it for about three years. Fred Bowman over at Portland Brewing, one of the early, early entrants, I mean, Portland Brewing was the early-eighties when they got going. We'd become friends with Fred Eckhardt over in Portland and Fred Bowman -- wonderful people. They had overbuilt. Part of that nineties thing. They had a bunch of excess capacity. I got a phone call from Fred Bowman saying, "Hey Bjorn. I understand you're trying to put together a packaging facility." "Yeah, we're trying." He's like, "Well, it just so happens we have some excess capacity. You could come over and brew your beer here for a while, while you're gettin' your thing together." I was like, "Never! We'll never do that!"

I gave him a call back about five months after that. "Hey Fred. [laughter] Nobody wants to talk to us about packaging, you know, about a bank loan for working this up … operating this packing [unintelligible]." They wanted us to prove that the marketplace before we could come back and get a loan. So, went over there and we were with them for three and a half years, I would guess. Almost four years. As we started building this facility in 2001, after we got a couple years under our belt. We were done with Portland Brewing … we got this facility built out in 2002. At that point, 100 percent was made back here again.

BS: So, did your brewer actually go to Portland then?

BN: We were all brewing at that point. Myself, Neal [Leathers], my brother, Matt Long, and Brad Robinson were all … we would take a week. We would …. Each of us of would roll through …

BS: Wow!

BN: … a week in Portland. Go over there and brew beer and come home. A week at a time. So, it was every four or five weeks, I was in Portland brewing beer.

BS: Let's see, what can you tell me about the Hold My Beer and Watch This trademark lawsuit [laughter] brought by Big Sky Brewing [laughter] against Anheuser Busch?

BN: That was fun! It wasn't fun at the time. [laughter] What had happened there, that was … we'd filed our trademark for Hold My Beer and Watch This, which pertains specifically to beer and alcohol. So, it's not, you know, a broad trademark so anyone else can used it outside of beer and alcohol. Budweiser was going down this path. They wanted to use it for the Super Bowl. It was gonna be part of their ad campaign, hold my beer and watch this. They knew about us. They knew about our federal trademark. But they … apparently, they didn't care that we had a federal trademark on it. We'd filed a cease and desist. One of the interesting conversations, which is kinda a closed-door conversation, was that in the

conservation, they're like, "That … you can't trademark that particular combination of words." Our retort was "Sorta like The King of Beers." [laughter] That was kinda the … that was the turning point. We'd offered to sell the trademark to them, but they didn't like our price. We'd offered … we were like 11 million bucks. [laughter] Seemed reasonable. We weren't even on the map. We're like, you know, and they were way lower than that. We went back and forth. They knew they were in the wrong at that point. They withdrew their ads and all that stuff. That was one our wins.

But trademark battles were alive and well, even back then. We were in a ten-year legal battle with Moose Head over the word moose. We ended up settling out of court on that. That's why we can only sell Moose Drool west of the Mississippi [River], with the exception of Michigan, Illinois and Wisconsin. It was almost like trading cards when we were doing that one. We were about to head to federal district court here in Missoula. I think we'd won. I was pretty sure that we were gonna win, but we'd agreed that in the process we couldn't afford really to, couldn't afford to spend another million dollars. We were up to, like, half million dollars or so at that point in defending our right to use the word moose. It was just … we were hemorrhaging cash and where we were at that level and we ended up settling out of court. We agreed in perpetuity not to sell Moose Drool east of the Mississippi [River] and in Hawaii. Apparently, Moose Head sells a ton of beer … used to sell a ton of beer in Hawaii. So, they really wanted Hawaii. I didn't really … none of us really cared about Hawaii at that point.

BS: When was the issue with the Anheuser Busch? What year was that?

BN: That was, like, four years ago, I think. Yeah, I think it was 20 --

BS: 2013?

BN: Yeah, that seems about right.

BS: How widely distributed is your beer in the United States?

BN: We're in twenty-four states.

BS: Really.

BN: All the western United States, basically, with the exception of Hawaii.

BS: Great!

BN: Yeah and then we do a little bit of export. We'll export some beer to Canada. Do intermittently we do a little bit to South Korea. We've done some to Hong Kong, Australia. That's just more for fun, just to figure it out. How does this work? We, as a team, were like let's figure it out. You know, it's not a been a part of our business that we'd look at as a real viable option for us because we're too stringent about the dating on our beer. When you export, they want a year or plus dating on your beer which is very hard to do as a small brewery. As a brewer, in general, to control the quality of the beer, so they want us to do … to compromise at the end of what we perceive as un-compromisable with the dating of our beer and the quality of our beer.

BS: From the time you start the process until your bottled, what's that time period?

BN: We work in from the grain to glass. For us, is about four weeks process time. We're pretty slow for an ale brewery. Our fastest beer in our brewing cycle is twenty-one days, which is very slow for an ale. Typically, ales are, you know, you're lookin' at ten to twelve days as when your … when their ready to roll. We ferment at a much colder temperature. That really slows us down, which is fine.

BS: What's the life of that beer?

BN: Typically, our, you know, depending on the beer style, you know, IPA you're lookin' at a maximum of about 110 days. Ideally, ninety because, you know, hops are pretty volatile. The quality of hops degrades pretty quickly. To say our Moose Drool, which is a very durable beer, it'll go out about 180 days, max on a Moose Drool. We've got, you know, liquid bread basically. We just won't compromise on that side. Which is very, you know, doesn't work very well for us on the export side. I think if we were gonna actually ever look at any type of international brewing, we would have to do it there in order, I think, to satisfy our need, you know, our want for quality. To have that best, you know, consumer experience possible.

BS: Do you think Montana has the most restrictive laws regarding microbreweries in the country?

BN: No. No.

BS: Huh?

BN: We've got Alabama as kinda leadin' the charge on that. Georgia's pretty strict. Texas, theirs not … you get down in the Bible Belt, it's fairly restrictive down there. I would say Montana, were probably middle of the pack with regards to our restrictions. Out in the West, yeah, probably I think Utah is easier than us. Which is saying something. [laughter]

BS: Is it like Washington or Oregon or California?

BN: Oh yeah, they're very loose with the laws and then the adaptation of laws has much more rapid. I think that's also part of that … at the legislative level, they have professional legislators and that meet, you know, not on a biennial basis. I think that slows down the process and the understanding of some of the things that are evolving rapidly in the United States, which, I think, puts Montana at a little bit of a competitive disadvantage. I'm no big fan of government, but I think we need to evolve our government in Montana somewhat because we're so agrarian based, you know, that it works on every other session. I don't think from a business perspective. I think it hampers us.

BS: How important is the industry to the Montana economy?

BN: It's not very many dollars when you look at the big scheme of things. We're not that important, I think. I think we have a viable future. We're still in our infancy when we look at, you know, there's an economic study done about it. They're talking, I can't remember how many million, when we look at our distribution side, the distributors and wholesalers generate way more dollars exponentially than we do as an entire craft industry. I would say we're a bit player in a big market right now, but the future -- that's where I think …but we need to evolve. We need to evolve to allow us to loosen the restrictions for trade in Montana, as well, from the craft perspective. That's gonna involve a complete overhaul. I think until then, when you have these artificial caps that don't make sense, when you have quota systems that don't make sense, I think we're limiting ourselves. You know, as we mature as a state, I guess, with regards to our perception of alcohol, I think there's a lot of opportunities, you know, for growth within the beer side and the distillers as well.

BS: How important are microbreweries to the social fabrics of communities?

BN: I think what the small brewers have done, is it to be the small taverns that were the center of conversation, where would people go and meet. I would argue that gambling changed that, you know. That it changed the ability to have a quality conversation, you know, and TVs. You never had TVs and that crap in bars. I remember as a kid, that all the guys'd be lined up against the bar havin' a conversation.

It wasn't about drinking as much as was, hey! We're here to gather. I think that's what is so positive about the small brewers and the brew pubs. It's a gathering spot. It's supplanted the local taverns. As local taverns have gone away, the small brewers are replacing them.

BS: Well, that's all the questions I have. Is there anything else you'd like to add?

BN: No. I think that it's gonna be … the next ten years in Montana is gonna be very interesting, I think with regards to where we are as a craft, with our alcohol laws. We are at a point where I think we're gonna see some dramatic changes. There's gonna be … it's gonna be a ugly, ugly fight. I anticipate Helena'll be a little more the next four to five years, six year sessions.

BS: Okay, well thanks for your time.

BN: Thank you! Thanks for thinkin' of us for this whole thing.

[recording ends]